



**Director of
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UK-US: Easing of Criticism Over Grenada

Prime Minister Thatcher probably will work to repair the "special relationship" with the US as British reactions to the US intervention in Grenada become less strong, but she is likely to display heightened sensitivity on issues where US-UK interests diverge. []

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Anti-US rhetoric over Grenada is beginning to subside both in Parliament and the press, according to the US Embassy. This results in large part from Grenadian Governor General Scoon's confirmation on British TV that he asked for US help and from reports that most Grenadians are pleased with the US and disappointed with the UK. In addition, some 50 conservative members of Parliament have signed a motion that the UK should have joined the US. []

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Nevertheless, Thatcher continues to disassociate herself from other possible US actions. She has expressed concern about any large-scale US retaliation in Lebanon for the loss of Marines there. She has spoken even more forcefully against any resumption of US arms sales to Argentina. []

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Comment: Thatcher probably will try to keep British frustration over Grenada from spilling into other areas of the bilateral relationship. Her current outspokenness may partly reflect pique, but it also is clearly designed to demonstrate independence of Washington to her domestic critics while signaling a desire for close consultations with the US. []

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Turkey's Major Actors After the Election



Kenan Evren
President of the Republic

Elected Turkey's seventh president in November 1982, Kenan Evren has been Chairman of the ruling National Security Council since the military takeover in 1980. He served as Chief of the Turkish General Staff from 1978 until this year. US Embassy officials describe Evren, about 65, as soft-spoken, modest, cautious, and thoughtful. He is also known to have a strong sense of duty and to be self-reliant. He is both decisive and comfortable with wielding authority. He is, however, receptive to advice and tends to avoid conflict when possible. His devotion to the principles of Ataturk and to secularism at times make him seem rigid in his rejection of demands for political participation by the left and Islamic fundamentalists.



Turgut Ozal
Likely Prime Minister

Turgut Ozal first designed the economic stabilization program of 1980 and then found himself retained by the military regime to implement the measures. He resigned in July 1982, however, over what he publicly called "a disagreement in implementation." Ozal, about 56, is known for his integrity, competence, frankness, and self-confidence. In addition to serving as Deputy Prime Minister and Minister of State under former Prime Minister Demirel, he has also worked in the International Bank for Reconstruction and Development.

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TURKEY: Moving Toward a New Government

President Evren has accepted the results of Sunday's election and almost certainly will cooperate with Turgut Ozal, the leader of the victorious Motherland Party, to establish a civilian government.

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The still unofficial results indicate that the Motherland Party will enjoy a comfortable majority in the 400-seat Grand National Assembly. Evren has emerged from seclusion and has endorsed the election results with praise for the viability of Turkish democracy. Ozal in return has complimented the military leaders on their efforts to restore law, order, and democracy.

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Comment: Evren appears to have decided to cooperate with Ozal, despite his disappointment and misgivings, and work for as smooth a transition to civilian rule as possible. Evren, who has the constitutional responsibility for appointing the cabinet, is likely to appoint Ozal prime minister and meet with Ozal during the next several days to discuss cabinet appointments and government policies. The makeup of the new government may not be disclosed until the official election results are announced later this week.

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Despite this promising beginning, Turkey's new government will face major problems during its five-year mandate. There will be tensions between Evren and Ozal, who will have to cooperate closely on major policy decisions and satisfy sometimes antagonistic constituencies.

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Internal security and the economy will be the new government's main policy concerns. Both Ozal and Evren want to avoid a return to the near chaos that provoked the military coup in September 1980.

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The two men have different vantage points, however, and they could eventually disagree on how tightly to control Turkey's new experiment in freedom and democracy. Ozal strongly advocates a market economy and is likely to want to reduce the state's role. If he were to move too quickly in this direction, he could face resistance from Evren, despite the President's basic support for the economic stabilization program developed by Ozal in 1980.

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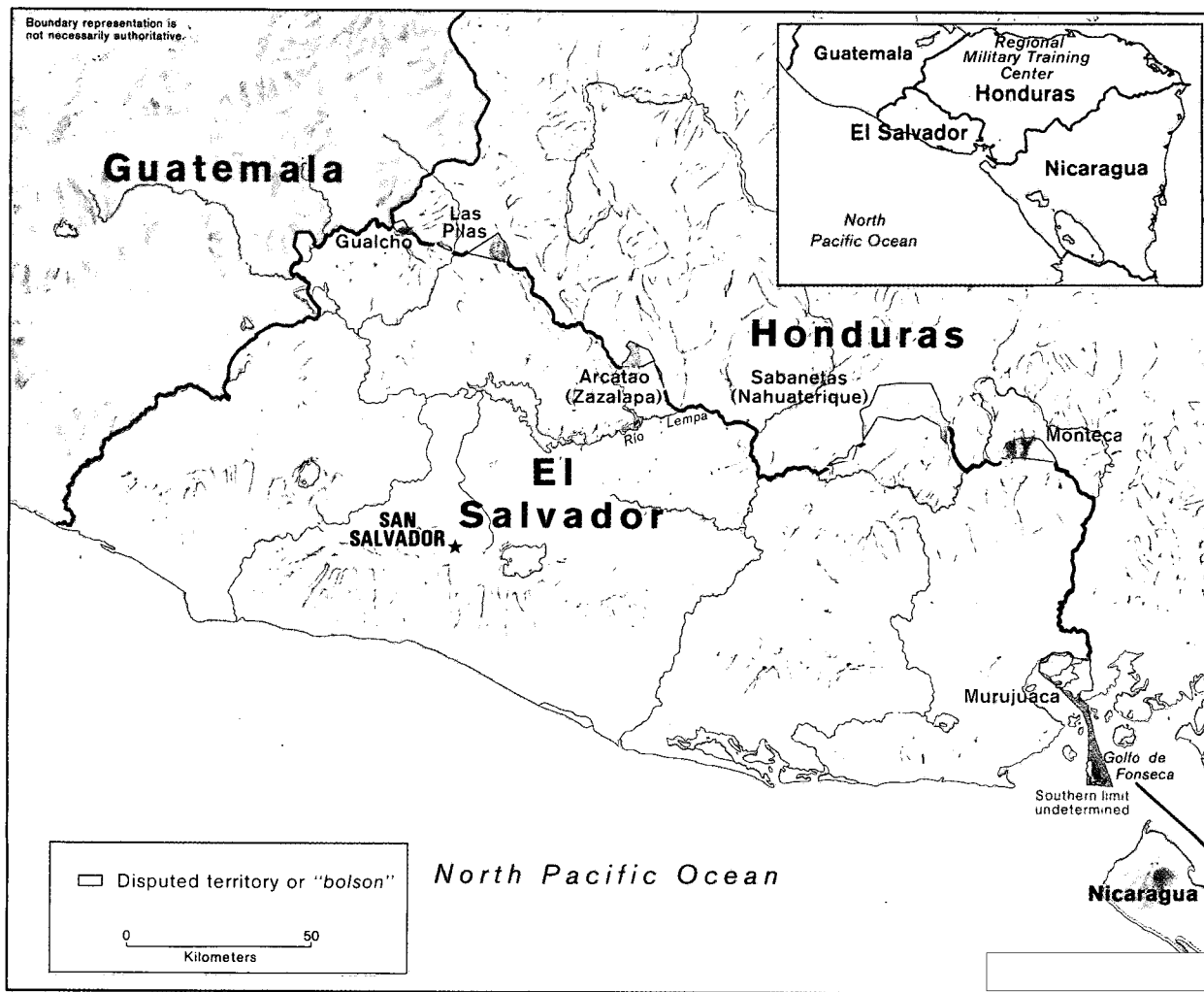
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HONDURAS-EL SALVADOR: Tension Over Border Dispute

Traditional rivalries and a longstanding border dispute again are weakening prospects for closer military and diplomatic cooperation between Honduras and El Salvador.

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Comment: The dispute is over six small areas along the border, including several islands in the Gulf of Fonseca. Some of this territory was declared neutral following the brief war between the two countries in 1969. Tegucigalpa apparently hopes the US will press the Salvadorans to agree to a settlement favorable to Honduras, but El Salvador is unlikely to make any major concessions.

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These frictions probably will not reduce the overall level of bilateral cooperation, but both countries' interest in a further strengthening of relations may diminish. Tensions will continue as long as the border dispute remains unresolved.

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CHAD: Developments in the South

Some southern dissidents plan to support the government, but efforts to begin negotiations continue to falter. [redacted]

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Some 700 southern dissidents decided last week to abandon rebel leader Kamougue and join President Habre's forces, [redacted] to a fairly reliable source. Habre is to meet with representatives from the group this week to discuss the terms of their return. The US Embassy also reports that a well-armed rebel group from the southeastern region agreed last week to collaborate with the government. [redacted]

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Meanwhile, southerners working in the government are unhappy about what they view as the incompetence and inefficiency of northerners in the regime, according to a Chadian official. The US Embassy reports that two southern members of the Army carried out the latest of several bombings in the capital last month. [redacted]

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Habre reportedly has met with French Socialist Party leaders who are trying to promote negotiations with dissident southerners. Mauritanian President Haidalla's efforts to mediate the conflict were frustrated late last month when Habre rejected the dissidents' demand that he give up the presidency. [redacted]

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The US defense attache in Lagos reports that there are no indications that the Nigerian Army is preparing to challenge Chadian forces over the disputed islands in Lake Chad. [redacted]

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Comment: The dissidents' change of allegiance may be a result of recent efforts by the government to assure southerners that it will protect their interests. Habre probably hopes to emphasize his commitment to better relations with the region by personally welcoming the former rebels. Nevertheless, mounting regional rivalry in Habre's government and Army reflect continued resentment by southerners toward the regime. [redacted]

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Habre has given repeated pledges to seek a negotiated solution. Mediation efforts will continue to founder, however, on his rejection of proposals that he meet on an equal footing with factional leaders. [redacted]

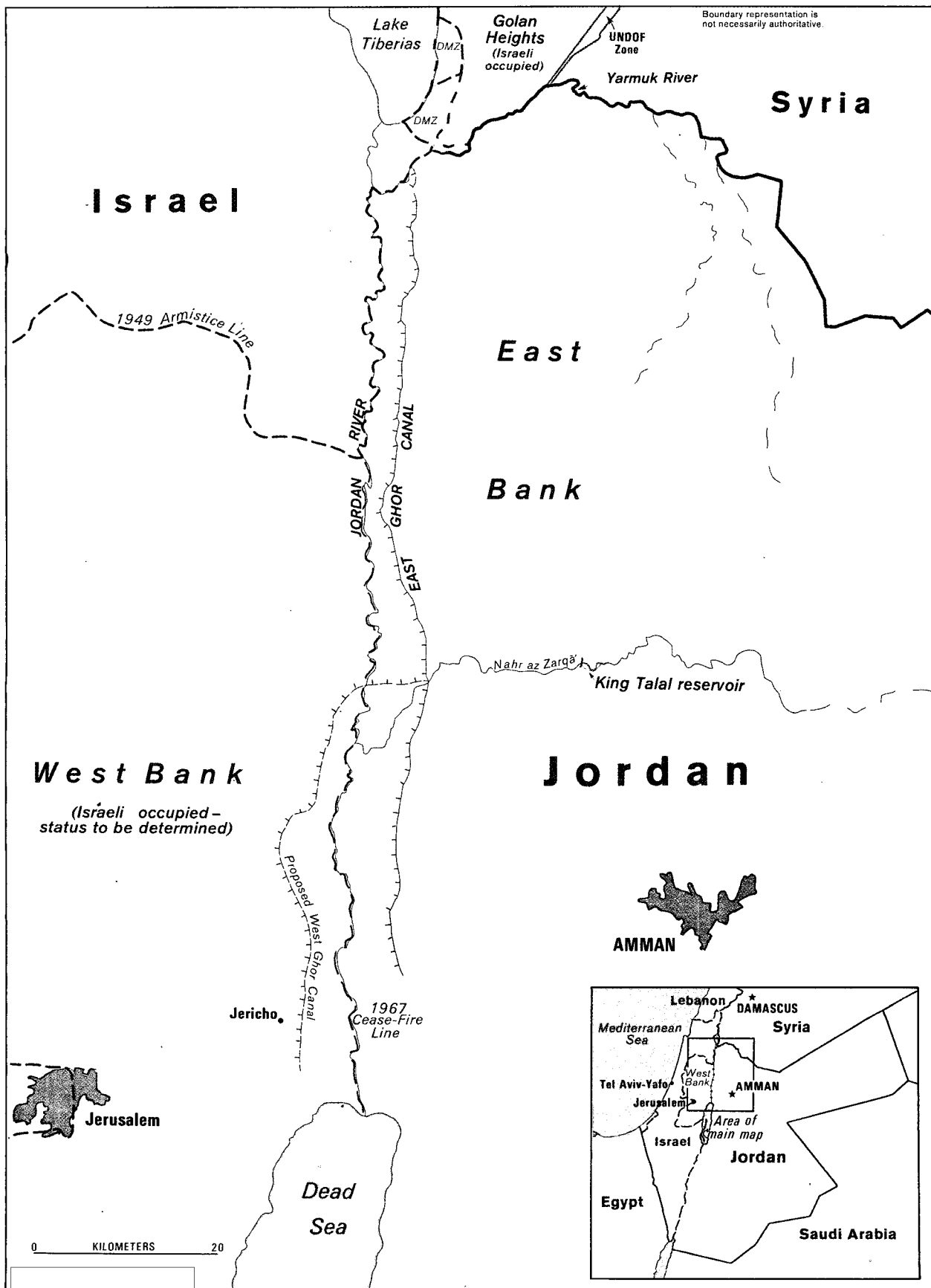
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JORDAN-ISRAEL: Water Shortage Problems

Jordan has requested US assistance to obtain Israeli cooperation in dealing with the shortage of irrigation water that threatens agriculture on Jordan's East Bank. [redacted]

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In a conversation with the US AID director for Jordan on 3 November, Jordan Valley Authority President Munther Haddadin said the water situation is "desperate." He asked the US to help persuade the Israelis to respond to Jordan's repeated requests for a meeting under the Mixed Armistice Commission to discuss the immediate problem and other water-sharing issues. According to Haddadin, the King Talal Reservoir—Jordan's largest surface water storage facility, with a capacity of 50 million cubic meters—is now "dangerously low" at 8 million cubic meters, its lowest point since 1979. [redacted]

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Comment: Without Israeli cooperation, Jordan cannot divert more water from the Yarmuk River into the East Ghor Main Canal, as it has planned. Jordan until now has been reluctant to increase its share, hoping to get Israeli approval for additional Jordanian diversion facilities on the canal. [redacted]

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The current water shortage may soon be relieved when the region's winter rainy season begins. Jordan's request for US intervention reflects its frustration with Israel's failure to respond to appeals to allow Jordan to use more water from the Yarmuk River. Both countries depend on the Yarmuk for irrigation. Syria is making more use of the river upstream, however, and Israel's greater ability to store excess flows places Jordan at a disadvantage in meeting its needs. [redacted]

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SAUDI ARABIA: Military Planning

The Saudis are trying to improve their capability to counter Iranian military action against them in the event of the spread of the war. Early last month the Saudi Air Force conducted a large exercise that included fighter patrols defending against waves of "attacking" aircraft, according to the US defense attache. The 11-day exercise involved at least five squadrons.

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Comment: Saudi Arabia has little capability to defend its oil facilities against a surprise Iranian airstrike. Saudi defenses are hampered by inadequate warning time, poorly trained personnel, and ineffective command and control procedures. Nonetheless, Saudi air defenses would be more effective against subsequent airstrikes because they would be in a higher state of readiness.

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NETHERLANDS: Labor Unrest Increases

The Dutch Government is trying to cope with the worst labor unrest since World War II as it moves to cut welfare benefits and public-sector wages by at least 3 percent starting in January. The cuts are aimed at reducing a projected \$13 billion budget deficit. Public-sector unions—including transportation, postal, and telecommunications workers—have responded with slowdowns, work-to-rule actions, and strikes scheduled to run through 26 November. Negotiations between the government and the unions broke down on 2 November, but Prime Minister Lubbers says he will offer new proposals and is urging that the talks resume promptly.

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Comment: The government is not likely to make any major concessions, hoping instead that the 17.5-percent unemployment rate and the widely accepted view that the country is living beyond its means will win popular support for its program and weaken union resolve. The unions, lacking support for their demands from their private-sector counterparts and the public probably eventually will be forced to accede to the government's demands.

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ALBANIA: Former Ministers Executed

The reported execution in September of three former high officials probably is part of People's Assembly Chairman Ramiz Alia's consolidation of power. The Italian press and Italian and Austrian diplomatic sources claim that former Defense Minister Hasbiu, former Minister of Interior Fecor Shehu, and former Health Minister Zicishti were executed on 18 September. According to these sources, former Foreign Minister Nase and the widow of the late Prime Minister Shehu received 25-year prison sentences. Prime Minister Shehu allegedly committed suicide in 1981.

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Comment: These reports coincide with increasing indications that Alia is party leader Hoxha's heir-apparent. Alia may be determined to eliminate even past obstacles to his ambitions. He is committed to a trade opening to China and Western Europe, and the executions could be an effort to demonstrate his determination to deal resolutely with potential foes.

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ISRAEL: Tax Increases

Revenue measures reportedly adopted by the Cabinet on Monday are moves in the right direction, but they will not make a significant reduction in the Israeli budget deficit. Taxes for Israeli families earning \$32,000 or more per year have been raised to 66 percent from 60 percent, and an \$80 annual fee will be charged for each child in public schools. Earlier press reports indicated that Finance Minister Cohen-Orgad had agreed to the higher tax rate for wealthier Israelis to get agreement on budget cuts from the TAMI party, a coalition partner with a lower income constituency.

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Comment: The moves reflect Cohen-Orgad's cautious approach. The Finance Minister seeks to work out agreements with other cabinet ministers whose support is necessary to his austerity program.

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Opium-Growing Areas in Northwestern Pakistan

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PAKISTAN: Resistance to Opium Production Ban

Pakistani authorities are meeting stiff resistance as they try to enforce a ban on opium production in Malakand Agency, the heart of the opium-growing region in Pakistan's North-West Frontier Province. US diplomatic reporting [] indicate that thousands of villagers demonstrated for three days after government agents arrested several poppy cultivators in the area, where the US is funding a project to eliminate opium production. The demonstrators called for lifting the opium ban, releasing those arrested, and excluding US project officials from the area. []

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Comment: Pakistani authorities on the scene have promised US officials to enforce the poppy ban, and they took a tough line with growers at a meeting Monday. In light of the riots, however, any additional enforcement probably would have to be ordered by cabinet-level ministers or the Provincial Governor, who has been cautious about using force. The political disturbances in Sind Province probably will make these officials more concerned about restoring order in Malakand than expanding narcotics enforcement. If authorities do not maintain pressure, however, they may lose credibility among growers who have abandoned poppy cultivation, and they could face stronger resistance in the future. []

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Special Analysis

USSR-VIETNAM: Impact of Sino-Soviet Dialogue

The renewed Sino-Soviet dialogue is a source of continued underlying friction in Soviet-Vietnamese relations. The Politburo-level Soviet delegation that visited Hanoi last week was sent partly to reassure Vietnam about Soviet intentions toward China. Moscow has shown no sign of acceding to Chinese pressures for a reduction in support for Hanoi and is unlikely to do so unless there is real progress in Sino-Soviet relations. []

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Collaboration against China is the binding force in the Soviet-Vietnamese alliance. Hanoi has shown it can withstand Chinese military pressures without the help of Soviet military intervention and represents a potential second front on China's border. Vietnamese efforts against Chinese and US influence in Southeast Asia, along with the Soviet military access to Vietnamese air and naval facilities, are important assets for the USSR. []

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First Deputy Premier Aliyev, promoted to full Politburo membership last November, recently headed the first Soviet leadership delegation to Hanoi since the Sino-Soviet talks resumed last fall. The two sides signed a new long-term economic cooperation accord that seems aimed both at improving Hanoi's handling of Soviet aid and developing those parts of the Vietnamese economy that will eventually enable Vietnam to begin repaying its large debt to the USSR. Party secretary Ryzhkov, who was also in the delegation, probably advised the Vietnamese on how to improve domestic economic performance. []

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Soviet Military Access

Aliyev may have pressed for some expansion of the access to Vietnamese military facilities Moscow gained as a direct consequence of its aid to Vietnam after the Chinese attack in 1979. Although still limited, Soviet access enables the USSR to monitor US and Chinese military activity and give better support to its naval ships and aircraft in peacetime. In wartime, however, the Soviets probably would withdraw their naval units from the Indian Ocean and South China Sea to defend the USSR. []

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Construction under way and Soviet equipment deliveries in recent months suggest that Hanoi is allowing some expansion of Soviet naval air deployments at Cam Ranh. Currently, only two TU-142 antisubmarine warfare patrol aircraft and two TU-95 maritime reconnaissance aircraft are deployed there. []

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Ship repair facilities at Cam Ranh are rudimentary, and there is no fuel storage facility. The Soviets may also want to improve these facilities to support their naval forces in the South China Sea as well as ships transiting to and from the USSR's Indian Ocean Squadron.

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Soviet Aid

The Soviets seem pleased by the way Hanoi has utilized the estimated \$2.9 billion in military aid it has received since the Chinese attack in 1979. This assistance, aimed primarily at building Vietnamese defenses against China, also helped ensure Chinese exclusion from Laos and Kampuchea.

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The Soviets are less satisfied with Hanoi's use of the estimated \$5 billion they have provided in economic aid since 1978. Several times over the last five years Moscow has used its economic leverage with Hanoi to push for changes in Vietnam's domestic economic policies. For example, according to a Vietnamese official, the Soviets cut back food exports in 1980 despite critical shortages in Vietnam to force Hanoi to revise its agricultural policies.

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Vietnam did adopt more liberal agricultural policies that have nearly eliminated the need for costly Soviet grain imports. Other Soviet efforts to improve Vietnamese economic performance, however, have had only mixed results. Aliyev, during the recent visit, hinted at Moscow's continuing dissatisfaction when he pointedly reminded Hanoi that the USSR was giving Vietnam aid the USSR needed itself.

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Concern About China

The Vietnamese clearly were worried about the reopening of the Sino-Soviet talks last year. Vietnam's second-ranking Politburo member hastily arranged a visit to Moscow, and Hanoi said publicly that Beijing intended to use the talks to isolate Vietnam.

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The Soviets, hoping to ease Vietnamese concerns, now consult Hanoi after each round of talks with China. When Vietnamese Foreign Minister Nguyen Co Thach made his annual visit to Moscow last month, he saw Deputy Foreign Minister Kapitsa, presumably to discuss Kapitsa's talks in Beijing in September.

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Moscow also seeks to reassure Hanoi by publicizing most of the authoritative Vietnamese attacks on the Chinese, despite its own ban on media criticism of China. General Secretary Andropov, in his

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meetings with Vietnamese leaders and in public statements, has said there will be no Sino-Soviet rapprochement at Hanoi's expense. Aliyev reiterated the message during his visit. []

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Prospects

Both Moscow and Hanoi probably see incentives to strengthen bilateral ties in the near term. The Soviets recognize the continuing need to reassure Vietnam over the expansion of Sino-Soviet contacts. Hanoi has no alternative source for the political, economic, and military support it gets from the USSR. []

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China so far has agreed to a limited expansion of contacts with Moscow without Soviet concessions on key issues, including Soviet-Vietnamese collaboration in the subjugation of Indochina. If, over the longer term, Moscow and Beijing were to begin making significant progress on bilateral security issues, the Soviets might search more actively for a solution to Sino-Vietnamese differences. Prospects for this sort of progress are sufficiently remote, however, that Soviet-Vietnamese relations are likely to continue on their present track for the foreseeable future. []

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